

# THE CHARLIE MUNGER INVESTING MANIFESTO

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## TAKE A SIMPLE IDEA AND TAKE IT SERIOUSLY.

THE FIRST RULE OF COMPOUNDING: : USING VOLATILITY AS A  
NEVER INTERRUPT IT UNNECESSARILY. : MEASURE OF RISK IS NUTS.

..... : RISK TO US IS 1) THE RISK OF  
PROPER ALLOCATION OF CAPITAL IS : PERMANENT LOSS OF CAPITAL, OR 2)  
AN INVESTOR'S NUMBER ONE JOB. : THE RISK OF INADEQUATE RETURN.

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IF YOU'RE COMFORTABLY RICH AND SOMEONE ELSE IS GETTING RICHER FASTER  
THAN YOU BY, FOR EXAMPLE, INVESTING IN RISKY STOCKS, SO WHAT? SOMEONE  
WILL ALWAYS BE GETTING RICHER FASTER THAN YOU. THIS IS NOT A TRAGEDY.

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LIFE IS A WHOLE SERIES OF OPPORTUNITY COSTS. : A GREAT BUSINESS AT A FAIR  
YOU GOT TO MARRY THE BEST PERSON WHO IS : PRICE IS SUPERIOR TO A FAIR  
CONVENIENT TO FIND WHO WILL HAVE YOU. : BUSINESS AT A GREAT PRICE.  
INVESTMENT IS MUCH THE SAME SORT OF A PROCESS. :

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IT TAKES CHARACTER TO : WE ARE LEARNING, MODIFYING,  
SIT THERE WITH ALL THAT : OR DESTROYING IDEAS ALL THE TIME.  
CASH AND DO NOTHING. : RAPID DESTRUCTION OF YOUR IDEAS WHEN THE TIME  
I DIDN'T GET TO WHERE I AM BY GOING : IS RIGHT IS ONE OF THE MOST VALUABLE QUALITIES  
AFTER MEDIOCRE OPPORTUNITIES. : YOU CAN ACQUIRE. YOU MUST FORCE YOURSELF TO  
CONSIDER ARGUMENTS ON THE OTHER SIDE.

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IT IS REMARKABLE HOW MUCH LONG-TERM : IF YOU'RE NOT WILLING TO REACT WITH EQUANIMITY TO A  
ADVANTAGE PEOPLE LIKE US HAVE GOTTEN BY : MARKET PRICE DECLINE OF 50% TWO OR THREE TIMES A  
TRYING TO BE CONSISTENTLY NOT STUPID, : CENTURY, YOU'RE NOT FIT TO BE A COMMON SHAREHOLDER AND  
INSTEAD OF TRYING TO BE INTELLIGENT. : YOU DESERVE THE MEDIOCRE RESULT YOU'RE GOING TO GET.

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IT'S NOT GIVEN TO HUMAN BEINGS TO HAVE SUCH TALENT THAT THEY CAN JUST  
KNOW EVERYTHING ABOUT EVERYTHING ALL THE TIME. BUT IT IS GIVEN TO HUMAN  
BEINGS WHO WORK HARD AT IT - WHO LOOK AND SIFT THE WORLD FOR A MISPRICED  
BET - THAT THEY CAN OCCASIONALLY FIND ONE. AND THE WISE ONES BET HEAVILY  
WHEN THE WORLD OFFERS THEM THAT OPPORTUNITY. THEY BET BIG WHEN THEY  
HAVE THE ODDS. AND THE REST OF THE TIME THEY DON'T. IT'S JUST THAT SIMPLE.

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PEOPLE CALCULATE TOO MUCH AND THINK TOO LITTLE. THINKING IS : IF ALL YOU SUCCEEDED IN DOING IN LIFE  
A SURPRISINGLY UNDERRATED ACTIVITY IN INVESTING. PEOPLE WHO : IS GETTING RICH BY BUYING LITTLE  
CANNOT BE ALONE WITH THEIR OWN THOUGHTS FOR A LONG TIME ARE : PIECES OF PAPER, IT'S A FAILED LIFE.  
TERRIBLE CANDIDATES TO BECOME SUCCESSFUL INVESTORS. : LIFE IS MORE THAN BEING SHREWD  
IN WEALTH ACCUMULATION.

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THE ONLY WAY TO WIN IS TO WORK, WORK, WORK, AND HOPE TO HAVE A FEW INSIGHTS.

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THE BIG MONEY IS NOT IN BUYING  
OR SELLING, BUT IN THE WAITING.

CHARLIE MUNGER